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BOOK REVIEWS AND NOTICES

The State Tax Commission. By HARLEY LEIST LUTZ, PH.D.
Cambridge: Harvard University Press, 1918. Pp. ix+673.
\$2.75 net.

This book deals with one of the most difficult subjects in the whole field of American taxation, namely, the history, present condition, and significance of the state tax commission. Germinated in Indiana in 1891 the idea of a state tax commission, designed to supervise the efforts of local assessors, spread until "today state tax departments, headed either by a single official or by a board of tax commissioners, are found in thirty-five states" (p. 3).

The study is broader than its title, for, as suggested in the quotation immediately above, it deals rather with supervising "state tax departments," whether they be tax commissions or boards of equalization, or boards or officers having some other name. Occasionally, too, the discussion broadens out to a consideration of the tax systems themselves. The first chapter deals with the evolution of centralized administration in taxation. Then follow two chapters on boards of equalization and assessment. Then an excellent chapter on the organization and equipment of state tax commissions are studied in detail, while the remainder are grouped as those of eastern states, southern states, and western states. The conclusion contains a very interesting summary of what has resulted.

The diligence and exhaustive research which have gone into the book deserve the very highest commendation. The author has combed the whole United States, read innumerable reports and statutes, visited state capitols, and corresponded with tax officials for his information, all with untiring energy. When one remembers how many states there are and how complex their tax systems, one can appreciate the enormous labor involved. As a compendium of the available printed reports and as a reference book it is very complete.

The study has received the David A. Wells prize and is published from the income of that fund. We agree that it was a most worthy award, and in the criticisms which follow we wish this distinctly held in mind. Furthermore, it is obvious that there had to be some limitations on the field covered since it would be impossible to cover everything. Yet the following criticisms may be made.

In the first place there is often too much detail of a non-typical character. At times one cannot see the forest for the trees. There is sometimes not the best judgment used as to the weight to be given to statements from different sources. Thus *ex parte* statements of privately subsidized "state tax associations" are accepted against the deliberate judgment of experienced and impartial public officials.

In the second place the human element is thrust entirely into the background. The evolution of the tax administrative systems of the states is a story largely of the sacrifices and contributions of individuals to the advancement of democracy and justice. Without intending any individual distinction, for twenty other names might be mentioned, we may say, for example, that to tell of the tax commission of Kansas and not of the part played by S. F. Howe, of that of Rhode Island and not of Zenas W. Bliss, or of that of Ohio and not of Dittey or Peckinpough, is to leave Hamlet out of the play. Some of these are, to be sure, quoted in the footnotes, but Hamlet in a footnote!

Another point in criticism is the failure to recognize the importance of the vital difference in the framework of government in different parts of the country. The township system of New England, the independent counties of the South, the compromise systems of the Middle West, and delegated local autonomy in the far West give each in its way a different meaning to the same words in tax administrative law. The "county assessor" of the South is likely to be merely a satellite or scribe of the great "high sheriff"; the "county assessor" in the North is often only superimposed like a porous plaster on the petty local autonomy, while the "county assessor" of California and neighboring states is an independent dignitary. All these distinctions are omitted. It is equally true that the "general property tax" is not the same everywhere. In fact, there are about as many varieties thereof as there are states. Hence centralization means one thing in one place and another in another.

While the relation between tax reform and wider political movements and parties is often given consideration, sometimes it is given none, or is misinterpreted. Thus there is no attempt to explain the entrenched power of privilege in Illinois and Ohio as the cause of the slow growth there of such a thing as a democratic conscience on tax morals.

Still, all these faults may be forgiven because what was done was so well done.

The Index is very poor. This is the more unfortunate because the book is one for the effective use of which the reader will necessarily require the index constantly. The main fault of the Index is that more attention

was paid to the footnotes than to the text. To give one example among many, on page 94 there is an excellent outline of the famous California railroad tax litigation which settled a vital principle in American taxation. This is indexed under a paragraph headline "Corporation Taxes," a catch-word one would not readily think of, and not under railroads at all. An example of a different kind is that the census reports on wealth, debt, and taxation are quoted on page 41 (and probably elsewhere) but are not mentioned on page 238, which is the only reference to them given in the Index. Without further specification we may say that the Index is so poor and a good one is so necessary that the publishers would be justified in requiring it to be done all over again.

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Budget-Making in a Democracy. By EDWARD A. FITZPATRICK.

New York: The Macmillan Co., 1918. Pp. x+317. \$1.50.

There has been much discussion of a budget system, both popular and scholarly. Various budget proposals have been presented inspired chiefly by the phenomenal increase in public expenditures. They are advocated in the interests of public economy since they essay to check the prodigious governmental outlays.

Mr. Fitzpatrick presents a new view of the budget. He does not quarrel with the enormous and rapidly increasing expenditures of government, but accepts Wagner's law that with advanced industrial society must come increased expenditures. He thus shifts the discussion from absolute or per capita amounts and increases to social efficiency. The final test and justification of public expenditures are summarized in these words: "Social energy expressed in public funds must secure in terms of social welfare results greater than the same expenditures privately made." It may be said in support of Mr. Fitzpatrick's exposition that in popular discussions of the budget too much emphasis has been laid on the accounting side of public expenditures with an almost total disregard of the underlying broader aspects of social welfare. To borrow from Professor Cooley, we have counted the seconds with care, but are hardly in a position to tell what time it is.

But more than that, we have been so intent upon "cutting" expenditures that we are on the verge of disregarding the fundamental principles of our government. If economy could be attained by an executive